(c) The percentage growth over previous year of value of production in the manufacturing sector and central excise receipts are given below:

Year	% growth of production in manufacturing sector	% growifc in excise receipts
2000-	5.3	10.70
01	2.9	5.88

(a) The percentage growth in excise revenue collection is higher than percentage growth in value of production in the manufacturing sector for both the years.

(b) This was one of the factors as the capacity based levy was estimated to result in a revenue loss of Rs. 225 crore.

(f) Capacity based levy on processed fabrics was withdrawn in year 2001 and has been replaced with *ad-valorem* rate of duty.

Private operators in General Insurance

4104. SHRI EKANATH K.THAKUR : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(b) the number of private players in General Insurance;

(c) how many of them have made a net profit in the year 2002; and

(d) the performance of public sector undertakings (PSUs) in insurance sector in the year 2002?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Insurance Regulatory and Development Authority (IRDA) has reported that 8 insurance companies in private sector have been issued registration for underwriting general insurance business.

(a) During the financial year 2001 -02, only 6 privgfie non-life insurance companies were operational out of which 2 companies *i.e.* Reliance General Insurance Company and IFFCO Tokyo General Insurance Company made net profits.

(b) During the financial year 2001-02 while New India Assurance Co., Mumbai and United India Insurance Co., Chennai reported net profit of

Rs. 141.99 crores and Rs. 153.39 crores respectively, Oriental Insurance Co., Delhi and National Insurance Co., Kolkata reported net loss of Rs. 235.48 cores and 94.34 crores respectively.

IRDAs directives to nomlife insurance companies

4105. SHRI EKANATH K. THAKUR : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the Insurance Regulatory and Development Authority (IRDA) has directed all the four public sector non-life insurance companies (New India Assurance, Oriental Insurance, United India Insurance and National Insurance) to bring down the level of their management expenses;

(b) if so, the reasons for this direction; and

(c) the reasons for the surge in the management expenses?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The public sector general insurance companies have been incurring expenses of Management in excess of the limits prescribed under Section 40-C of the Insurance Act, 1938 read with Rule 17-E of the Insurance Rules, 1939. It was in thiscontext that the IRDA has issued instructions to these companies to bring down the expenses of management to the level of statutory permissible limits.

(c) The increase in management expenses of the public sector general insurance companies is mainly on account of wage and other related expenditure. IRDA has reported that over 80% of the companies' expenses are fixed, being spent on salaries, and provisions made for Pension, Gratuity, etc. of the employees on which the companies have very little flexibility.

Fiscal Incentives to **NER**

4106. DR ARUN KUMAR SARMA : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(d) details of fiscal incentives granted to existing and new industries of NT3R with duration nature and target group entitled for such incentives;

(e) the objectives, entitled industries, date of commencement and expiry of transport subsidy;

(f) whether the circumstances of allowing these incentives at commencement are different from now;